

LNF & IHCIF Calculations Illustration - Lac Vieux Desert in Bemidji area -

Given Data

- 374 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 97.2% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- \$2,607 per person for purchased services = $90\% * 97.2\% * \$2,980$
- \$404 per person for in-house services = $10\% * 135.7\% * \$2,980$
- \$3,011 per person total = \$2,607 (purchase) + \$404 (in-house)
- **\$3,189 per person total** adjusted for health status = $\$3,011 * 105.9\%$
- **\$2,444 per person net cost** = $\$3,189 - \745 Other resources (M&M&PI)

Existing Expenditures (for 374 users excluding wrap-around and collections)

- \$2,090 per person = local IHS allowance (excludes \$ for wrap-around)
- \$94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$2,238 per person for OU users** = $\$2,090 + \$94 + \$54$

LNF Calculation

- **70.2% Gross LNF** = $\$2,238$ (expenditures) / $\$3,189$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **91.6% Net LNF** = $\$2,238 / \$2,444$ net cost ($\$3,189 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 91.6% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

Lac Vieux Desert Unmet Needs

- **\$914,240 Net Total Need** = 374 users * $\$2,444$ net cost
- **\$77,064 Net Unmet Need** = $(100\% - 91.6\% \text{ LNF}) * 374$ users * $\$2,444$ net cost